

I. INITIATIVES TAKEN BY SYNDICATE BANK ON FURTHERING FINANCIAL INCLUSION-POSITION AS ON 30.04.2012

GOI and RBI have attached highest priority for implementation of Financial Inclusion in all the unbanked villages in the country. Review of progress in FI implementation is undertaken by Finance Secretary, GOI, with CMD's of Banks at monthly intervals. Our Bank has taken various initiatives for effective implementation of Financial Inclusion.

1. Exclusive vertical for Financial Inclusion:

- Exclusive FI Department formed at Corporate Office headed by a General Manager for constant monitoring and supervision.
- Officers with experience of IT, rural lending and agriculture background have been provided to strengthen the department.

2. Financial Inclusion Plan of the Bank:

Financial Inclusion Plan of the Bank covers the following:

- a) 1553 Villages having population of 2000 and above to be covered by March 2012.
- b) Out of the above, 750 villages have already been covered by March 2011. As per SOI with Govt.Of.India, 803 more villages to be covered in 2nd phase and 3,00,000 more No-Frill accounts to be opened in these villages by 31/03/2012 under financial inclusion Plan.

Opening of Branches in the allotted FI Villages having a population of above 2000:

To make available the Banking services to the unbanked villages having population of over 2000 allotted to our Bank under Financial Inclusion, 334 villages are covered by branches. In terms of percentage, the number of branches to the number of villages allotted in FI Villages works out to over 21.50% coverage of villages.

Engaging BCs and CSPs

The Bank was able to extend banking network to remote and far flung villages allotted to the Bank by engaging BCs and CSPs appointed by the TSPs. In all, 1219 villages allotted to the bank with population of over 2000 were covered by BCs and CSPs.

With this Bank could accomplish the target of covering 100% of the allotted 1553 FI Villages with population of over 2000 with banking services well ahead of the stipulated date of 31/03/2012.

Target vs. Achievement as on 31/03/2011 & 30/04/2012 in FI implementation:

S. No.	Particulars	Target for 31/03/2011	Achievement as on 31/03/2011	Cumulative Achievement as on 30.04.2012
1	Coverage	750	750	1553
2	Through Brick and Mortar Branch	131	135	334
3	Through BC	615	615	1219
4	No of No Frill Accounts opened	3,00,000	3.72 lacs	9.61 Lacs

3. Training initiatives:

- All 648 base branch Managers of FI villages are trained, including 439 covered in the 1st phase.
- All the 35 Nodal Officers for FI at Regional Office have been trained by SIBM, Apex Training Institute, involving faculty members from Indian Institute of Banking & Finance, Mumbai and National Academy of RUDSETI.
- All the CSPs and BCs engaged sensitized.
- A training programme designed specially for Branch Managers of FI Branches was organized by SIBM in which 19 Branch Managers were trained.
- BCs are being exposed to detailed training through IIBF accredited training institution for enabling them to appear for examination for award of a certificate. So far, 38 training programmes have been organized in Karnataka, Andhra Pradesh, West Bengal and Uttar Pradesh in which 1023 BCs have been trained.

4. Initiatives in providing Financial Literacy:

a) Swabhimaan:

- Bank is participating actively in the Joint publicity drive of Public Sector Banks under the aegis of IBA.
- BC outlets and Grievance Redressal Boards have been supplied with Swabhimaan LOGO for display.
- Posters have been prepared in vernacular language as per the theme circulated by IBA and distributed to the branches and these posters have been displayed at prominent places in the branch and in FI villages.
- Bank has donated Mobile Van to the JJFLCC Trust and financial literacy campaigns are being organized using the mobile van.

- Number of financial literacy campaigns conducted (including through the mobile van) so far is 2044.
- T-Shirts with Bank's and Swabhimaan Logo have been distributed for 1219 BCs.

b) FI QUIZ:

- Quiz Programmes on Financial Inclusion in 97 schools of FI villages were conducted.

c) FLCCs:

- Our Bank along with Vijaya Bank formed a Trust "Jnana Jyoti Financial Literacy and Credit Counseling Trust" (JJFLCCT) for promoting Financial Literacy. Karnataka Bank has also joined the trust as one of the joint trustees.
- Twentyfour FLCCs are already functioning in various Lead Districts of the Bank and FLCCs will be opened in all the remaining Lead Districts of the bank. The FLCCs have organized Financial Literacy programmes with 16 Farmer's Clubs in association with District Development Offices of NABARD.
- The FLCC Centres have organized meetings of 54 SHGs for disseminating information on various Bank's products.

d) Financial Inclusion Resource Centres:

- Twentyone Financial Inclusion Resource Centers (FIRC) have been established in various Lead Districts of the bank. They are as follows:
- 1) Karwar (2 FIRCs)
 - 2) Udupi (2 FIRCs)
 - 3) Mangalore
 - 4) Bellary
 - 5) Belgaum
 - 6) Meerut (2 FIRCs)
 - 7) Faridabad (2 FIRCs)
 - 8) Agra
 - 9) Ghaziabad (2 FIRCs)
 - 10) Moradabad (2 FIRCs)
 - 11) Anantapur (2 FIRCs)
 - 12) Kannur (2 FIRC)
 - 13) Tiruvanthapuram

5. Integration with CBS:

- Detailed discussions were held with FI vendors and OFSS, Banks Core Banking Solution Provider. Order has been placed with OFSS for providing suitable interface software to process the transaction in an on line mode. First round of UAT has commenced with all vendors .

6. Security of Data:

- Data from Micro ATM to FI server and to CBS travel in an encrypted form. Data in Smart Card is also stored in encrypted form.
- Security standards recommended by IDRBT are strictly adhered.
- Also, TSPs are bound by non-disclosure and data ownership clause of SLA, which ensures data ownership and security for the Bank.

7. Recording of Transaction on Smart Cards:

- Bank is issuing 32K (IDRBT specified) Smart Cards for FI customers.
- Bank's Micro-ATMs are also as per IDRBT specified standard.

- The Card has capacity and facility to store latest 10 transactions of 10 different products.

8. Technology and Technology Service Provider:

- Bank has adopted 2 Technologies supporting biometric authentication for implementation of Financial Inclusion.
 - (a) Mobile Technology and
 - (b) Smart Card Technology.

9. Engaging BC Supervisors on Contract Basis:

- Bank has established a separate monitoring mechanism for overseeing the working of BCs.
- A cluster of 10-12 BCs to be supervised by one BC Supervisor, who is a retired Bank officer, appointed by the Bank on a contract basis to work as BC Supervisor.
- Bank is also undertaking audit of the functioning of BCs and the transactions made in the new accounts opened (using the BC services) through Concurrent auditors / External Auditors.

10. Assigning weightage in officers Annual Performance appraisal reports for implementation of Financial Inclusion:

- To motivate the officers to contribute their best in implementation of Financial Inclusion Plan, Bank's Board has approved a Policy for assigning weightage for implementing officers/executives at Branches/Regional Offices.
- The criteria for assignment of weightage have been incorporated in the Self Appraisal Form of officers.
- The weightage assigned for different category of officers is furnished below:

Functionaries	Key responsibility areas	Weightage proposed
Branch Managers	Achievement of targets under FI Plan consisting of opening of accounts, RDs,, issue of SKCC, GCC, Micro Insurance product and remittances.	40%
Nodal Officer of FI at RO	Monitoring and guiding the branches and reaching of target under FI allotted to RO	80%
Executives in-charge of FI at RO	Monitoring and guiding the branches and reaching of target under FI allotted to RO	30%
Regional Managers	Achievement of targets under FI plan including opening of branches, appointment of BCs and monitoring their performance	20%

11. Micro Insurance

- Bank had introduced Micro-Insurance Policy through Tata AIG in the First Year .However, during the current year, Micro Insurance Policy is obtained from M/s SBI Life Insurance Company Ltd., which provides risk cover of Rs.25,000/- at a nominal premium of Rs.32/- inclusive of Service Tax per year.
- The Policy is getting acceptance among the villagers and so far 13934 Micro Insurance Policies have been issued.

12. Visits to FI villages by Top Executives of the Bank:

	No of villages visited
Chairman & Managing Director	31
Executive director	29
General Manager	73

13. UIDAI:

- Bank is Registrar for UIDAI.
- UIDAI enrollment has commenced in 21 villages in GB Nagar of Uttar Pradesh and 20 villages of Mewat district of Haryana. More than 94335 enrolments have been completed. We have also placed orders with TSPs for implementing UIDAI project in 60 villages of Meerut district of Uttar Pradesh.
- Based on the joint RFP floated by Govt of Karnataka (GOK) & 6 other Major banks, Bank has issued the purchase order on M/s Glodyne Techno Serve Ltd. The enrollments are expected to commence soon..

14. RBIs out Reach Programme :

In the Following FI villages, RBIs outreach programs were held.

1. Kaluvapalli Village in Anantapur District of Andhra Pradesh.
2. Mogaru Village in Dakshina Kannada District.
3. Budni P.M Village in Bagalkot District.
4. Harwada in Uttara Kannada District.
5. Tigdolli in Belgaum District.
6. New Bimlitan Village, Andaman & Nicobar Islands
7. Arua village in Faridabad District.
8. Kadmat village in U T of Lakshadweep.
9. Shivarampuram in Prakasham District

15. Progress in implementation of FI plan:

Particulars	As on 31.3.2011	As on 31.12.2011	As on 30.04.2012
No of Villages allotted	1493	1493	1553
No of villages covered	750	1493	1553
No of Brick and Mortar Branches opened	135	301	334
No of Villages covered with BC/CSP	615	1192	1219
No. of BCs /CSPs already engaged	615	1192	1219
No. of No-Frill A/cs opened	3.72 lacs	7.66 lacs	9.61 lacs
No of KCCs outstanding	93132	252592	407562
No of GCCs issued	1647	20308	38283
No of Micro-Insurance Policies Issued	3169	12000	13934
No of Smart Cards Issued	59231	151350	172834
No of Synd-Quiz Programmes held	51	93	97
No of Mobile Vans deployed for Fin Literacy	01	01	01
No of FLCCs opened	03	19	24
No of FIRC's opened	02	21	21

16. Progress in RRBs:

- The progress made by the RRBs in implementation of FI is furnished below.

Sl. No	Name of the RRB	Total No. of villages allotted to the Bank	Villages covered up to 31.03.2011	Villages covered up to 31.12.2011	No. of villages covered by Branches as on 30.04.2012	Total No. of BCs appointed as on 30.04.2012	Total villages covered by BCS and Branches. as on 30.04.2012	Total no of Financial Inclusion account opened as on 30.04.2012
1	2	3	4	5	6	7	8	9
1	APGB	546	35	546	24	522	546	217068
2	GGB	234	99	234	31	203	234	62877
3	KVGB	418	67	419	53	365	418	40600
4	NMGB	6	3	6	6	0	6	4317
5	PGB	425	37	401	42	383	425	96436
TOTAL		1629	244	1606	156	1473	1629	421298